DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, Ca 95814



April 12, 1985

ALL-COUNTY LETTER NO. 85-44

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: TREATMENT OF INCOME TAX REFUNDS FOR TAX YEAR 1984 RECEIVED BY AFDC,

RCA, AND ECA APPLICANTS AND RECIPIENTS IN 1985

REFERENCE: ACL No. 84-43

ACL No. 84-50

This is to advise you to continue to treat income tax refunds as property rather than income for eligibility and grant determination purposes as ruled by the California Supreme Court in the case of <u>Vaessen</u> v. <u>Woods</u>.

The U.S. Supreme Court refused to review the decision of the California Supreme Court in this case. As a result of this action, the California Supreme Court's decision stands. Therefore, you are to continue to disregard the provisions of MPP 44-207.4 as applied to income tax refunds. We will be issuing regulations through the regular process to revise the language.

If you have any questions about this letter, please contact Shirley Opie of the AFDC Policy Implementation Bureau at (916) 324-2010 or (ATSS) 454-2010.

Deputy Director

cc: CWDA